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Tuesday, April 21, 2015

The Honorable Anthony Forlini
Chair, Finance Services Committee
Michigan House of Representatives

State Capitol
P.O. Box 30014
Lansing, MI 48909-7514

Dear Representative Forlini:

We write in support of House Bill 4242, a bill to require financial service providers to disclose in a conspicuous manner the prices or fees of financial services offered to consumers. It is our position that disclosure of fees for consumer financial services, like those required under this legislation, is good public policy and helps to protect Michigan consumers from potential abuse and fraud.

The Community Economic Development Association of Michigan is a nonprofit membership organization that represents hundreds of individuals and organizations committed to revitalizing and rebuilding Michigan through community economic development. CEDAM members actively help the people living in and around their community through programs and services that help increase access to affordable housing, improve local economies and financially empower workers and families. The Michigan Economic Impact Coalition is a statewide partnership of service providers and advocates committed to linking free tax preparation services with opportunities to build assets through savings and achieve financial security.

Our members work directly in communities that have been negatively impacted by the Great Recession. Many of the men, women and children they serve, live on the financial edge and are often one flat tire, or late payment away from insolvency. Instead of using a traditional financial service provider, like a bank or credit union, many of our member's clients rely on non-traditional, or alternative financial services, like check-cashing and money orders to meet their regular financial obligations. Both traditional and alternative financial service providers often have access to a customer's confidential and secure financial information, however the financial products and services sold by alternative financial service providers do not have the same level of state and or federal oversight as those offered at a bank or credit union.

House Bill 4242 helps to protect consumers by ensuring that the most basic consumer protection – fee disclosure – is conspicuously visible at the point of sale. Consumers can be confident that the financial service or product they are purchasing is being sold at the advertised price and they can easily compare prices from one service provider to another. Such disclosure

of fees protects consumers against price gouging and unfair competition and ensures that a consumer will enter a financial transaction knowing the full cost of the service or product.

Michigan consumers, particularly those that are in reliant upon alternative financial service providers to make routine financial transactions, should be afforded the most simple of consumer protection - fee disclosure. We ask that you, and your colleagues on the House Committee on Financial Services, support House Bill 4242.

Sincerely,



Jessica AcMoody
Senior Policy Specialist
CEDAM



Ross H. Yednock
Program Director
MEIC

CC:

Representative Peter Pettalia (R) Majority Vice-Chair, 106th District
Representative Mike Callton (R) 87th District
Representative Joseph Graves (R) 51st District
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Representative Sherry Gay-Dagnogo (D) 8th District
Representative Leslie Love (D) 10th District
Melissa Weipert, Committee Clerk